GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3382
ANSWERED ON:04.08.2017
Priority Sector Lending
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Will the Minister of FINANCE be pleased to state:

(a) whether, the Public Sector Banks (PSBs) provide loans at a concession rate under Priority Sector Lending (PSL) to unemployed youth of weaker sections of the society including SCs/STs; and

(b) if so, the details thereof?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a) & (b): Reserve Bank of India (RBI) has deregulated the Interest rates on advances sanctioned by Scheduled Commercial Banks and these interest rates are determined by banks with approval of their respective Board of Directors subject to regulatory guidelines on Interest Rate on Advances contained in RBI's Master Direction No. DBR. Dir.No.85/13.03.00/2015-16 dated 03.03.2016.

In terms of RBI Master Direction No. FIDD.CO.Plan.1/04.09.01/2016-17 dated July 07, 2016 on Priority Sector Lending-Targets and Classification, a target of 40 per cent of Adjusted Net Bank Credit (ANBC) or Credit Equivalent amount of Off-Balance Sheet Exposures (OBE), whichever is higher, has been set for lending to the priority sector by domestic scheduled commercial banks and foreign banks with 20 and above branches. Within this, a sub-target of 10 per cent of ANBC or Credit Equivalent amount of OBE, whichever is higher, has been set for lending to weaker sections which includes, among others, persons from SCs/ STs.

RBI has issued standing instructions to banks in the form of Master Circular - Credit facilities to Scheduled Castes (SCs) & Scheduled Tribes (STs) which is updated every year (latest being July 1, 2017) to give special emphasis to the welfare of the scheduled castes and scheduled tribes and take measures in order to step up their advances to SCs / STs.
The following schemes of the Government also facilitate credit flow to SC/ST entrepreneurs:

? Stand Up India scheme: Government of India launched this scheme in April, 2016 with the objective to promote entrepreneurship amongst women, SC & ST category. The Scheme facilitates bank loans between Rs.10 lakh and Rs.1 crore to at least one Scheduled Caste/ Scheduled Tribe borrower and at least one Woman borrower per bank branch for setting up greenfield enterprises.
? Credit Enhancement Guarantee Scheme for the Scheduled Castes (SCs)-A sum of Rs. 200 crore has been allocated towards credit enhancement facility for young and start-up entrepreneurs, belonging to Scheduled Castes with the objective to promote entrepreneurship amongst the Scheduled Castes, facilitate economic development of SC entrepreneurs and enhance direct and indirect employment generation for SC population of India.
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